

# **A Eurasian European Union? Relaunching Post-Soviet Economic Integration**

DRAFT VERSION – COMMENTS ARE VERY WELCOME

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## **Abstract**

In November 2011, the presidents of Belarus, Kazakhstan and Russia agreed to establish a “Eurasian Economic Commission” (EAEK) charged with the development and functioning of the Customs Union and a “Single Economic Space” comprising the three states. Their presidents and other political actors referred to the European Union and its formation to frame these projects and the envisaged creation of a “Eurasian Union” until 2015.

The paper studies how these references are emulated in Russian public discourse and the legal regulation of the EAEK. Combining theories of policy transfer and gradual institutional change, the paper conceptualizes different modes of emulation. A weak authority of the EU model and weak powers of integration advocates suggest a “facade emulation” where formal similarities coexist with persisting inherited practices and behavioral patterns. This hypothesis is confirmed by (1) labeling and framing strategies that relate the EU model to familiar ideas in Russian political culture and previous initiatives of post-Soviet integration and (2) a limited emulation of labels and organizational structures from the EU within an essentially intergovernmentalist institutional arrangement.

## Introduction

On 18 November 2011, the presidents of Belarus, Kazakhstan and Russia declared their resolve to establish a Eurasian Economic Union (EAS) in 2015. They agreed to create a “Eurasian Economic Commission” charged with the development and functioning of the Customs Union and a “Single Economic Space” comprising the three states. In July 2012, this Commission replaced the Commission of the Customs Union the three states had set up in January 2010. Since 1 January 2012, the three countries have been operating a Single Economic Space aimed at realizing free trade in goods, capital and services and the freedom of movement. These four freedoms will be accompanied by coordinated macroeconomic and sectoral policies, harmonized national laws and cooperation on migration, foreign policy, economic security, cross-border and cultural issues. On 20 September 2012, a Treaty establishing a free trade zone among Russia and eight other post-Soviet states entered into force.

These decisions and activities appear to signal a new dynamic in post-Soviet economic integration, after nearly two decades of overly ambitious declarations, failed attempts and paper institutions. They have triggered remarkably different reactions. The United States have criticized the EAS as “a move to re-Sovietize the region”.<sup>1</sup> Renewed aspirations for regional hegemony are viewed as corresponding to the Kremlin’s more repressive policies against domestic opposition and civil society activists. In contrast, Russian observers and media have rather highlighted the unrealistic expectations attached to the project, its costs and the practical obstacles of integrating structurally disparate economies.

To explain why the EAS will be different from, and more promising than, previous post-Soviet integration projects, the presidents and other advocates of Eurasian integration have frequently referred to the European Union and its formation. The declared aims of integration, the labeling of institutions, the proclaimed organizing principles of the envisaged common market and its policy rationales strikingly resemble ideas and institutions from the European integration process. This raises several interesting questions: how have domestic political actors used the EU for their own integration project? To what extent do they use the EU purely as a metaphor of successful integration or do they indeed seek to transfer elements of the EU model? How does the emulation of such elements contribute to establishing a new framework for post-Soviet economic and possibly political integration? Does the emulation of EU examples enable Russia to overcome the fragmentation of the post-Soviet region, to escape the shadow of the Soviet empire and to accommodate the sovereignty concerns of other post-Soviet states?

The present paper addresses these questions by combining theories of policy transfer and gradual institutional change (Jacoby 2004; Mahoney and Thelen 2010). Emulation is conceived as a special case of institutional change rather than a response to external conditionality. This conceptualization allows to distinguish modes and conditions of emulation based upon the modes of gradual institutional change suggested by Mahoney and Thelen (2010). The empirical sections of the paper explore how and under which conditions EU ideas are emulated in Russian public discourse and the legal regulation of EAS institutions. Since the authority of the EU and the powers of integration advocates seem to be weak, the paper expects a “facade emulation” where superficial similarities with a foreign model hide persisting inherited practices and behavioral patterns.

Evidence indicating this mode of emulation is found in the framing strategies dominating the public discourse and an emerging institutional architecture with strictly limited “Communitarian” elements. Moreover, some elements of the emerging EAS can be traced

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<sup>1</sup> US Secretary of State Hillary Clinton, Financial Times 6.12.12.

back to the Commonwealth of Independent States and other post-Soviet integration projects. Thus, the paper argues that the reference to EU integration serves legitimacy functions, but the emerging EAS differs significantly from the EU.

## **1. Foreign models and domestic institutional reforms**

Most students of institutional reform and an increasing number of practitioners would agree that institutions, conceived as sets of culturally embedded rules guiding behavior, can not be simply copied from one national context to another. However, political actors in Russia – ranging from pro-Western liberals over statist technocrats to anti-Western conservatives – have frequently referred to foreign ideas and institutions to explain and promote their projects and policies. The general causes of this phenomenon are relatively clear and relate to the failure of state socialism as an autochthonous paradigm of societal and state organization, the ensuing ideational disorientation and the growth of Russia's global interconnectedness.

Less well known is how foreign models contribute to the change of institutions in Russia and other post-Soviet societies. Under which circumstances are domestic political actors able to "emulate" foreign models (Jacoby 2004), i.e., to design and establish culturally embedded domestic institutions that perform guiding, orientation and integration functions that are similar to the functions performed by the ideas and institutions that serve as foreign models? The term "emulation" differs both from "simulation" and "imitation" because it lacks the connotation of a fake reality and emphasizes the creative component going beyond mere copying. If domestic political actors have to re-create foreign models in order to make them work like the originals, how do they adapt or translate these models? Which motives and beliefs guide their adaptation? Under which circumstances does emulation fail? What are the consequences of failed or partial emulation for existing domestic institutions and their legitimizing ideas?

To address these questions conceptually, it is necessary to combine theories of policy transfer and diffusion with theories of institutional change. The former approaches can help structuring constellations, modes and outcomes of emulation, while the latter approaches allow to assess the likelihood and extent of institutional change.

Theories of transnational policy transfer and diffusion generally assume that foreign models are more likely to be emulated if

(1) the source of the model is in a position to impose the model or to provide strong incentives for domestic actors to emulate its model (inter alia labeled as "leverage" (Lavenex and Schimmelfennig 2011));

(2) the cultural context of a foreign model is similar to the cultural context or institutional setting of the society where the model is to be adopted (inter alia labeled as "isomorphism", "linkage" (DiMaggio and Powell 1991; Levitsky and Way 2006)).

Most of the literature in this field focuses on the degree to which these two structural conditions exist, but does not allow to analyze and assess the impact of different domestic and transnational actor constellations in a systematic fashion. Its first hypothesis carries a risk of neglecting the motives and beliefs of domestic actors because the authority, power or resources of the model provider is assumed to matter most ("International Relations Fallacy"). The second hypothesis induces scholars to underestimate the abilities of domestic actors to creatively adapt and accommodate foreign models for their domestic settings ("Culturalist Fallacy").

Within this literature, Jacoby has tried to take the role of domestic political actors more seriously (2004, 2006, 2008). He conceives emulation as a two-step and two-dimensional process in which international organizations like the EU or NATO determine whether the adoption of their rules is mandatory or voluntary. Faced with these rules, domestic governments are assumed to be able to decide how closely they want to approximate the rules. One problem with Jacoby's matrix of emulation modes is that its two dimensions are not clearly independent of each other. Imposed, mandatory rules usually leave domestic actors little discretion about how to emulate them. It is also problematic to assume that international organizations would generally be able to impose constraints upon domestic actors by defining rules as mandatory for them. Finally, the distinction between approximate and faithful emulation does not say much about the constellations of domestic actors that support different emulation policies.

To solve these problems, the present paper conceptualizes emulation as a triangular, "nested game" where those political actors that advocate the transfer of (elements of) foreign models ("importers") are viewed in an exchange with foreign model providers and external actors on the one hand, opposing domestic or intra-regional political actors on the other. Thus, the presidents and ruling political elites who refer to the EU as an example for post-Soviet integration constitute model importers. Whether elements of the EU model are imported depends on the extent to which (1) the EU is broadly accepted as a template for integration and (2) importers have sufficient power to enforce the EU model against the resistance of reform opponents. These opponents seek to defend the status quo of unconstrained state sovereignty, contingent bilateral relations among post-Soviet states or integration with non-Eurasian states.

How does this actor constellation affect the outcomes of emulation and how are these outcomes related to institutional change? Theories of institutional change in historical institutionalism have traditionally been concerned with observing "path-dependent" development and "critical junctures". The notion of path dependence assumes that a social process is triggered by a contingent initial event, reinforced by positive feedback mechanisms and thus generates a branching pattern of historical development (Pierson 2004, 21), constraining the freedom of actors to choose a different path. "Change continues, but it is bounded change – until something erodes or swamps the mechanisms of reproduction that generate continuity." (Pierson 2004, 52) Such a fundamental change occurs at critical junctures of history that enable actors to make choices which can open different paths of development. Historical institutionalists have been struggling with the empirical problems of identifying critical junctures and distinguishing between bounded and radical change.

To overcome the limitations of the path dependence concept, Mahoney and Thelen have recently sought to explain gradual institutional change within given paths by asking whether defenders of the status quo have strong or weak veto possibilities and whether reformers and their opponents can exercise discretion in interpreting and enforcing the targeted institution (Mahoney and Thelen 2010). If reformers are confronted with strong veto actors, they can change institutions only if they introduce additional rules (layering) or – if their interpretive freedom is larger – neglect existing rules (drift). If defenders of the status quo possess only weak veto power, reformers can abolish old rules (displacement) or – if there exists wider discretion – use existing institutions for new purposes (conversion).

This typology has not been designed to explain how domestic political actors emulate foreign models. However, emulation can, as is argued here, be viewed as an example of gradual institutional change. Since Mahoney and Thelen's matrix distinguishes types of gradual institutional change and different forms or resources of power, their differentiation appears useful to analyze institutional change in Russia and other post-Soviet states and to describe the likely outcomes of emulation.

This typology will now be combined with the notion of a nested constellation and the distinction between model providers and model importers. The enforcement capacity of model importers and the normative authority of model providers within Russia and the post-Soviet region are considered as explanatory variables that determine the mode and outcomes of emulation and institutional change.

**Actor constellations and outcomes of model imports**

		Enforcement capacity of model importers	
		High	Low
Normative authority of model providers	High	Faithful Emulation <i>(Displacement)</i>	Incremental Emulation <i>(Layering)</i>
	Low	Instrumental Emulation <i>(Conversion)</i>	Facade Emulation <i>(Drift)</i>

As the table indicates, "imports" of foreign institutions or ideas may have very different results, depending on the resources of model providers and importers and their interaction. A Faithful Emulation appears most likely if the norms, values and ideas underpinning a model are widely accepted and if importers are able to ensure these norms are respected. The acceptance of a model depends on the legitimacy and credibility of its provider among importers, status quo defenders and the public. Importers acquire more scope of interpretation if model providers and their norms lack such undisputed authority. The higher the enforcement capacity of importers against reform opponents, the more likely will model imports result in an Instrumental Emulation of the original model (analogous to what Mahoney and Thelen label "conversion"). Importers then become able to use foreign models as references to promote their own political agenda or to recombine elements of the model with existing institutions so that the original functions are lost.

Conversely, Faithful Emulation may also be impeded if importers consider the foreign model a reasonable, legitimate and desirable solution, but lack the capacity or discretion to implement it against intra-regional resistance. Defenders of the status quo may block institutional reforms and power struggles between domestic political actors ensue. As a consequence, institutional change is likely to be incremental and takes place by complementing and modifying existing institutions ("layering").

Finally, it is possible to conceive a constellation where domestic reformers are not fully committed to a foreign model and promote foreign models mainly for instrumental reasons, for example to attain other aims. This constellation is most likely to result in facade institutions with a formal setup reflecting the standards of model providers. But the imported formal rules are not embedded in the substantive norms necessary to ensure an emulation of their functioning. Rather, inherited practices and behavioral patterns persist and undermine the functions expected from the imported institution.

This matrix of emulation modes provides a framework to analyze how political actors in Russia, Belarus and Kazakhstan have used the EU model for their own integration project. The next section assesses the authority of the EU and the powers of Eurasian integrationists. The subsequent sections study whether the hypothesized mode of emulation is reflected in the public discourse on the EAS and its institutional design.

## 2. Actors, interests and interdependencies

One obvious approach to assess the normative authority of the EU is to examine the extent to which post-Soviet elites and citizens share the values underpinning the EU integration project. Liberal democracy is considered a fundamental value in the EU Treaty, democratic legitimacy is an important concern reflected in the design of EU institutions and in debates about these institutions, and EU member states view themselves as a community of democracies.

Although Belarus, Kazakhstan and Russia also define themselves as democracies in their constitutions, most observers consider them authoritarian political regimes (cf. for example Levitsky and Way 2010). Studies of Russian politics have noted that the presidency of Vladimir Putin entailed an authoritarian consolidation compared to the more pluralist regime of President Boris Yeltsin. Whereas elites who advocated a Western-type liberal democracy and market economy for Russia had been influential in the first years of Yeltsin's presidency, elites prioritizing a strong state have since then become the dominant group.

A study of elite communities shaping foreign policy in Russia has labeled this group "Pragmatic Nationalists" since they are neither intrinsically committed to democracy and market economy like the Westernizers, nor do they principally reject them (White 2007). Their interest in a strong Russian state provides an important motive for constraining party competition and for retaining the role of the state in strategic economic sectors. They view a strong state as reflected in Russia's status as a great power equal to other great powers and with its legitimate interests in the post-Soviet region. The belief in Russia's right and need to claim great power status has been associated with the idea of Russia's distinctiveness from the West. This collective self-definition has created "a kind of ideational protectionism that discourages the importation of policies" from the West (Huskey 2013, 46).

The prevailing instrumental, strategic approach to democracy among Russia's elites corresponds to attitudes observable among citizens. Representative opinion surveys conducted for the European Values Study in 2008 have revealed that only 42 percent of Russians believe that it is very or fairly bad to have a strong leader who does not have to bother with parliament and elections. The share of these "anti-authoritarian democrats" is significantly lower than the median share of 74 percent found in the 27 EU member states. Only 81 percent of Russians consider democracy better than any other form of government, compared to 93 percent in the EU. In contrast, attitudes indicating Russia's economic culture are closer to the EU median. For example, Russians tend to prefer free competition and incentives for individual efforts more than the citizens of a median EU member state. Their mean preferences on these economic items are less than 1.3 standard deviations from the EU median, whereas the democracy attitudes are 1.9 and 2.6 standard deviations from the EU median.

Prevailing political attitudes and beliefs thus suggest a limited acceptance of EU norms and a weak authority of the EU as a model provider.

In order to assess the enforcement capacity of political actors who advocate Eurasian integration, it is necessary to briefly analyze the interdependencies between Russia and other post-Soviet states. These relations are shaped by the common legacy of the Soviet Union and by the large resource asymmetries between Russia and all other Eurasian states. Being the dominant regional power and main successor state of the Soviet Union, Russia has been burdened by the sticky bad reputation of inherited imperial interests and behavior (Beissinger 2008). Russia's new integration projects tend to elicit this suspicion which creates an additional obligation for policymakers to persuade prospective participants about their non-imperial nature. This applies in particular to President Putin who has become known for his view that "the collapse of the USSR was the greatest geopolitical catastrophe of the 20<sup>th</sup>

century."<sup>2</sup> Persistent mistrust against Russia's notorious, this time veiled imperial ambitions renders post-Soviet states reluctant to abandon parts of their regained sovereignty in exchange for promises of future economic benefits and greater global relevance.

Economic interdependencies among the post-Soviet countries do not appear to create a compelling rationale for integration, that is, they do not empower Eurasian integrationists and weaken their opponents. The Commonwealth of Independent States (SNG) and particularly Russia are the main destinations of labor migrants from SNG countries and the dominant source of remittances, as shown in the table below. However, trade with other SNG countries exceeds half of the total foreign trade only in Belarus and Kyrgyzstan. All other SNG participant-states and particularly economies with large shares of fuel exports - Azerbaijan, Kazakhstan and Russia - are more integrated with extra-SNG economies, particularly with the EU. The potential for intra-industrial trade among SNG countries appears to be limited as long as Azerbaijan and Kazakhstan's economies are dominated by fuel industries and other Central Asian countries but also Moldova have only weakly developed industrial sectors.

### Foreign trade and remittance shares with the Commonwealth of Independent States<sup>3</sup>

% of total	Trade	Remittances
Armenia	30	68
Azerbaijan	10	82
Belarus	58	73
Kazakhstan	25	84
Kyrgyzstan	52	84
Moldova	34	57
Russia	14	67
Tajikistan	44	85
Ukraine	39	64

During the period from 1999 to 2008, the share of intra-SNG trade declined relative to SNG countries' extra-regional shares of trade, whereas intra-SNG migration and educational mobility increased (Libman and Vinokurov 2012, 125). But this educational mobility may indicate the remigration of ethnic Russians from Central Asia to Russia, which is associated with the erosion of ethnic Russian communities there. Investment flows and stocks neither provide strong reasons for integration. For example, the SNG shares of Kazakhstan's and Ukraine's foreign investment outflows were approximately 20 percent and 40 percent of their total investment outflows, respectively (2005-2011) (Kondratov 2013, 64ff.). The stock of Russian investment in SNG grew between 2005 and 2012, but its share in total Russian foreign investment is still relatively low.

Russia's policy of Eurasian integration appears to be supported by its weight as an energy provider for the post-Soviet countries. Russia's state-owned natural gas corporation Gazprom,

<sup>2</sup> Poslanie Prezidenta Rossiiskoi Federatsii V. V. Putina Federal'nomu Sobraniuu Rossiiskoi Federatsii, April, 25, 2005

<sup>3</sup> Trade figures: Interstate Statistical Committee of the SNG, [www.cisstat.org](http://www.cisstat.org), figures refer to period from January to November 2012. Remittances: own calculations based on World Bank Bilateral Remittance Matrix 2011.

for example, has actively used its pricing and supply policies to exert political pressure on Ukraine. However, this dependency seems to be limited as Azerbaijan, Kazakhstan and other fuel exporting post-Soviet states have their own resources, channels of access to Asian and European markets and would be able to redirect their exports in the case of a conflict with Russia. Belarus, Moldova and Ukraine depend on Russian energy supplies, but they also have some leverage over Russia as they control important transit routes for Russian gas deliveries to Europe. In addition, a more assertive Russian policy to exploit the energy dependency of one of these states for purposes of closer integration risks (1) damaging the EAS since other post-Soviet states would find their suspicion of an imperial posture confirmed and would be less willing to participate in this integration project; (2) sacrificing Russia's relations with the West which are viewed as crucial for the economic modernization of Russia (Tsygankov 2005, 298).

Opponents of Eurasian integration are in a particularly weak position in Belarus because the country's peculiar state-owned economy depends on Russian energy subsidies and protected access to the Russian market, as is indicated by its high share of SNG trade. Political elites in Belarus have legitimized their socio-economic model and the state identity of Belarus by referring to the Soviet Union. However, since this model may not be compatible with the freedom of capital and unified competition rules in a single market, status quo defenders are equipped with strong arguments about the existential threats posed by Eurasian integration to Belarus. The case of Belarus also demonstrates the costs of integration for Russia, which are likely to increase if the less developed Central Asian economies join the EAS.

In sum, this analysis of interests and interdependencies suggests that Russia and its political elites have relatively weak powers to enforce a Eurasian integration and to import elements of the EU model. Thus, these weak powers and the weak authority of the EU generate the expectation that emulation will be characterized by facade institutions and persistent inherited practices.

### **3. Emulating EU ideas: discourse**

This section reconstructs and explores the meanings leading political actors attach to ideas and concepts imported from European integration. The focus will be on the most recent debate in Russia that was triggered by a programmatic article Russia's President Putin published during the campaign preceding the presidential election of March 2012 (Putin 2011).

In this article, Putin proposes a "Eurasian Union" as a new integration project for Eurasia. He uses this term synonymously with the term "Eurasian Economic Union" so that one may infer that "Eurasian Union" serves just as a convenient short form of the more precise "Eurasian Economic Union". However, the short version also moves the term semantically closer to the "European Union" on the one hand, the "Soviet Union" on the other, implying that the Eurasian Union possesses equal status with these other "unions" and that its role is to reach beyond economic integration.

The term "Eurasian Union" was initially created by Kazakhstan's President Nazarbaev who in March 1994 suggested it to establish a closer integration among the states belonging to the Commonwealth of Independent States. While Putin did not mention this early proposal, Nazarbaev himself referred to it in an article from 25 October 2011 in which he supported Putin's proposal. However, Nazarbaev uses the term "Eurasian Union of States" when

referring to his initial idea. This term emphasizes that states, and not peoples, citizens or supranational bodies, are constituent units of the Union, which does not explicitly contradict Putin's concept, but points towards a more "inter-governmentalist" notion of the Union. This is also indicated by Nazarbaev's emphasis on sustained national sovereignty and the role of the Union as a means for "the blossoming of our nations" rather than an end in itself (Nazarbaev 2011). For Nazarbaev, the Eurasian Union "does by no means presuppose the transfer of political sovereignty. This is an axiom. This was the successful experience of the creation of the European Union, which was based on the equality of integration partners." (Nazarbaev 2011)

In contrast, Belarussian President Lukashenko in his supportive article from 18 October 2011 mentions the Eurasian Union only lately after extensive recourse to the Soviet Union and its tragic disintegration (Lukashenko 2011). His point of departure are the "fates of our states" which are bound together by their common Soviet legacy.

Whereas Nazarbaev's proposal was not taken up in the debates about post-Soviet integration between 1994 and 2011, the two components of "Eurasian Union" have acquired and carried specific meanings in the integration debate prior to 2011. The attribute "Eurasian" was used to denote the "Eurasian Economic Community" (EAES) that was established on the basis of a treaty concluded by Russia and four other SNG states in 2000. The noun "Union" not only refers to the Soviet Union / EU, but was already employed in the post-Soviet period to name the "Customs Union" (TS) that was initially agreed in 1999 by Russia, Belarus, Kazakhstan and Kyrgyzstan. By using "Eurasian" and "Union" as components, Putin thus also indicates that the Eurasian Union will be built upon the EAES and TS.

Historically, the attribute "Eurasian" describes the existence of a distinct region between Europe and Asia and is rooted in the philosophical-political movement of Eurasianism that emerged in the 1920-ies among Russian emigrants. This anti-Western ideational root, however, is either not explicitly noted, as in Putin's article, or only cited to distinguish one's own, modern approach of economic rationality (Nazarbaev 2011) or re-interpreted by describing Russia's role as promoting "Europe" in "Asia" rather than vice versa (Kosachev 2012, 34).

In Putin's article, the TS and the "Single Economic Space" (EEP) are explicitly mentioned as the basis of forming a Eurasian Economic Union. In terms of semantic and meaning, TS, EAES and EEP refer generally to a customs union (i.e., a free trade area with common external customs tariffs), and specifically to the European Economic Community and the Single European Act envisaging the completion of the single market. Like the European single market, the EEP is conceived as providing free movement of goods, capital, services and people. These four freedoms are to be complemented by unified economic regulations, a single infrastructure, and coordinated tax, financial, trade and customs policies. Russia and the other TS signatory states in 1999 also agreed to establish the EEP, but specific measures to implement it were approved only in 2009 (and only by Russia, Belarus and Kazakhstan). The EAES was intended as a set of institutions to realize TS and EEP.

Putin's article distinguishes the Eurasian Union from TS/EEP by noting that the former also comprises a closer coordination of economic and foreign exchange policies. These additional areas of policy coordination thus constitute substantively new elements justifying the introduction of a new label for existing projects of post-Soviet economic integration. However, the closer coordination of economic and forex policies are not the key elements that characterize the project of a "European Union" in the 1992 Treaty of Maastricht. This Treaty created a European Union by complementing the single market with a common foreign and security policy, a cooperation on justice and home affairs, and an economic and monetary

union. Thus, Putin's concept of a Eurasian Union refrains from transferring the "second and third pillars", or the monetary union from the EU model.

However, Putin's proposal is not strictly confined to economic integration. He modifies the model of a European single market by suggesting the inclusion of a unified visa and migration policy into the EEP.<sup>4</sup> While he explicitly refers to the "Schengen Agreements" in his 2011 article, this policy area has not been part of the EU's single market, but (initially) of its justice and home affairs pillar. Moreover, the Declaration on Eurasian Economic Integration adopted by the presidents of Russia, Belarus and Kazakhstan in November 2011 *inter alia* envisages developing a cooperation on foreign policy issues of common interest. These "add-ons" indicate an ambition to go beyond economic integration.

The project of economic integration envisaged for the Eurasian Economic Union (EAS) includes numerous individual institutions and principles that refer to models existing in the EU. In July 2012 a "Eurasian Economic Commission" was established as a supranational institution emulating the European Commission. The European Court of Justice has provided a model for the EAES Court that began to function independently in January 2012. Commission decisions (will) take direct effect, and economic actors are entitled to appeal to the Court – key principles of the EU system. Nazarbaev has proposed establishing a Eurasian Assembly of delegates from the member states' parliaments, a chamber of Eurasian trade and industry (2011), and the idea of representing subnational regions has also been articulated (Klimov 2012, 103-104). In May 2012, parliamentary deputies of the three countries met to discuss the parliamentary dimension of Eurasian economic integration. Describing the different views held by parliamentarians, Sergej Naryshkin, the Chairman of the Duma, coined the terms Eurasian optimists ("evrazooptimisty"), Eurasian sceptics ("evrazoskeptiki").<sup>5</sup> Integration is conceived as a multi-level process, evolving at different speeds (Vinokurov 2007, 42), which refers to ideas of a multi-speed and multi-level integration in the EU.

The EEP will extend to agricultural subsidies, transport, social policy and natural monopolies. Important aims are to achieve an equal treatment of companies from EEP member states in public procurement and a competition between different jurisdictions. Integration is based both on mutual recognition and the harmonization of rules, which have been the two approaches used to complete the European single market. According to plans prepared by the Commission, service provision licences obtained in one country are to authorize the provision of services in the other EAS member states. But the Commission also intends to introduce unified regulations for pharmaceutical products, electricity and other products. In addition, there are plans to create a single currency after the EEP has been completed.<sup>6</sup>

Eurasian Economic Commission officials and the involved governments use timelines and "road maps", emulating equivalent governance tools well known in EU policy-making. For example, the head of the Commission Board declared that "on 1 January 2015 the treaty on the Eurasian Economic Union is due to enter into force (...) Until November of the next year [2013] we will prepare a "road map" for the accession to Kyrgyzstan to the TS."<sup>7</sup> Similarly, Lukashenko "explained that new members will need to adopt and fulfill a road map."<sup>8</sup>

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<sup>4</sup> However, Putin does not mention the common management of external borders in his article from October 2011.

<sup>5</sup> *Izvestiya*, 4.10.12. Naryshkin also distinguished a third group of deputies who contest the appropriateness of a supranational Eurasian parliamentary structure.

<sup>6</sup> Interview with Boris Khristenko, Head of the Commission Board, *Vedomosti*, 19.12.12.

<sup>7</sup> *Vedomosti*, 19.12.12.

<sup>8</sup> *Vedomosti* 21.11.2011.

In the discourse of Putin and several other advocates of Eurasian integration, three frames are evoked to explain why the model of the EU should be emulated. First, integration advocates recall the idea of a multipolar world and Russia's identity as one of its players with a status equal to that of other global powers: "We are proposing the model of a powerful supranational association, capable of becoming one of the poles of the contemporary world and of playing the role of an effective "link" between Europe and the dynamic Asian-Pacific region. This means that it is necessary to transcend from the basis of TS and EEP toward a (...) full economic union." (Putin 2011). Boris Gryzlov, the then-Chairman of the Duma, referred to this frame more crudely by arguing that "Russia was always a great country, a center of attraction for its neighbors. Russia will be a great country!"<sup>9</sup> A "new union" (Gryzlov) will be established to regain this greatness.

A second framing strategy posits the import of the EU model through the Eurasian Union as opposed to the anachronistic integration model of the Soviet Union: "Trying to restore or copy what has already been lost in the past is naïve, but close integration on a new value, political and economic basis – this is the dictate of time." (Putin 2011) Assuming a "restauration" or "reincarnation" of the USSR is creating "phantoms of the past, fantasies and speculations" (Nazarbaev 2011) According to then-President Medvedev, the Eurasian integration will differ from the Soviet Union: "we will not force anybody to do it, this is certain."<sup>10</sup> The Secretary-General of EAES stresses: "The Eurasian Cooperation does not aim at recreating the USSR, it must be realized without violating the sovereignty and with the non-interference in the internal affairs of its member states."<sup>11</sup>

According to the Head of the Duma Committee on Foreign Affairs, "What makes it different from previous efforts is that the Union is established on equal terms, and this time we are talking about genuine equality, not just equality on paper. This is the first time in Soviet, as well as post-Soviet history, that this has happened. When each party within the Commission has three votes and in theory, any two parties can outvote the third, when all the decisions of its superior body – the Council – are taken by consensus, no-one will be able to pressure the others." (Kosachev 2011) In addition, the EAS also represents a new style of governing as "the share of improvisation and movement by touch is greater than in the Old World."<sup>12</sup>

A third framing strategy explains the emulation of EU ideas as taking advantage of Russia's position as a latecomer in modernization: "In their times, Europeans needed 40 years to complete the way from the European Community of Coal and Steel to the full-fledged European Union. Establishing the TS and the EEP proceeds much more dynamically since it takes the experience of the EU and other regional associations into consideration. We are seeing them and both their strong and weak sides. And this is our obvious advantage, allowing us to avoid mistakes and to prevent the reproduction of different types of bureaucratic obstacles." (Putin 2011) This statement evokes a topos that was used in state socialist systems to explain how scientific management of the economy and technocratic decisionmaking would enable socialist states to leapfrog the more developed capitalist states.

Such progress is already visible according to the Chairman of the Duma Committee for SNG: "While the European countries needed about 40 years to establish a customs union, Russia, Belarus and Kazakhstan established the TS within eight years" (Sluckij 2012, 63). Russia and its partners will avoid the EU's mistakes of integrating heterogeneous economies<sup>13</sup> and they

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<sup>9</sup> Nezavisimaya gazeta, 15.11.2011.

<sup>10</sup> Gazeta, 17.11.11.

<sup>11</sup> Fedor Luk'yanov, Chairman of the Presidium of the Council for Foreign and Defense Policy, Rossijskaya Gazeta, 30.11.12.

<sup>12</sup> Luk'yanov, RG 29.5.13.

<sup>13</sup> President Medvedev, reported by Vedomosti, 21.11.11.

"will have to proceed much more rapidly on the way taken by the EU colleagues"<sup>14</sup> Notably, this framing also serves to explain why the EU model should be emulated despite the current crisis and apparent weakness of the EU.

Many participants of the debate caution to avoid the problems and mistakes of European integration. According to a Duma deputy, "copying the ineffective institutions and mechanisms of the EU" was attempted by the SNG but should be avoided now (Slipenchuk 2012, 221-222) "The Eurasian Economic Community critically rethinks the experience of the EU member states in order to avoid typical mistakes and the reproduction of bureaucratic obstacles."<sup>15</sup> The EU failed to balance integration and enlargement, ignored the sequentiality of integration and overburdened its capacity to support the convergence of its poorer member states.<sup>16</sup> The newly independent post-Soviet states likewise failed to sustain the Ruble zone in the 1990ies, being unable to recognize the importance of a stepwise integration. For Boris Khristenko, the Head of the Board of the Eurasian Economic Commission, the EU's failure to deepen integration in parallel with enlargement teaches "us" to maintain the necessary depth of integration and to avoid opt-outs from the single market.<sup>17</sup>

Reflecting on a programmatic speech of the British Prime Minister, Fedor Luk'yanov, an influential foreign policy expert distinguishes the EAS project both from the European and the Soviet Union: "There is always a temptation of replacing a qualitative by a quantitative development, particularly since Moscow has until recently been the centre of the whole territory from Brest to Vladivostok, from Murmansk to the river Kusk. But the USSR is the past; the new union must be built so that no "Great Britains" will emerge within it, which would hinder its development and negotiate advantages by threatening exit."<sup>18</sup>

This discourse shows the extent to which mainly Russian political elites use the EU and the process of European integration as a model to communicate, explain and legitimize the EAS project. But the terms, their contents and their meanings also establish a continuity with previous initiatives of post-Soviet integration, while adapting the EU model to fit the needs and priorities of the post-Soviet constellation. The three explanatory framing strategies link the emulation of the EU model to familiar and broadly consensual ideas of Russia as a great power, leaving the Soviet Union behind and leapfrogging modernization. These ideas appeal to liberal, nationalist and statist elite groups and may integrate them as well as different segments of Russian society.

#### **4. Emulating EU ideas: institutional design**

This section examines to what extent EU institutions and rules have been emulated in the emerging institutional arrangement of the EAS. This arrangement is based on the Declaration on Eurasian Economic Integration and the Treaty on a Eurasian Economic Commission that were signed by Belarus, Kazakhstan and Russia on 18 November 2011.

This Treaty establishes a Eurasian Economic Commission (EAEK) as "a single permanent regulatory body of the TS and the EEP." EAEK is authorized to elaborate proposals on

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<sup>14</sup> Khristenko, <http://www.tsouz.ru/eeek/VII/Pages/28-04-2012-2.aspx>, 28.4.12.

<sup>15</sup> Tair Mansurov, Secretary-General of the Eurasian Economic Community, Rossijskaya Gazeta, 30.11.12.

<sup>16</sup> Tat'yana Valovaya, EAEK Minister of the basic direction of integration and macroeconomics, Rossijskaya Gazeta, 5.9.12.

<sup>17</sup> Duma hearing 18.4.13.

<sup>18</sup> Rossijskaya Gazeta 30.1.13

economic integration in the TS /EEP framework. However, while this broad mandate resembles the goal-oriented authorization of EU institutions in the Treaty on the Functioning of the EU (Art. 352), the EAEK Treaty also lists 19 specific competences of EAEK that include customs and trade, macroeconomic, competition and energy policy, public procurement, transport, foreign exchange, intellectual property rights, labor migration and financial markets.

EAEK is composed of a Council and a Board (Kollegiya). The Council consists of three deputy prime ministers from EAS member states who meet if necessary, but at least once every three months. The Board is the executive organ of EAEK, consisting of nine members (three from each member state) who are appointed for four years by the Council. The Board is responsible for managing the 25 EAEK departments which were envisaged to comprise 1071 staff by 1 January 2013. The Board and the Council may adopt non-binding recommendations and decisions which take direct effect in, and are mandatory for the signatory states. While the Council decisions require unanimity, the Board may take decisions with a qualified majority of two thirds of its nine members who possess equal voting rights. This decision-making rule introduces an element of supranationality into the EAEK.

However, in practice the Board hitherto seems to have sought to take decisions unanimously, as its Head indicated who noted that a failure to agree among the representatives of the three states on common product standards will be overcome by majority voting but by creating exceptional regulations or restrictions to the free movement of goods.<sup>19</sup>

By creating a Council and a Board, the institutional setup reflects the division of roles within the EU, i.e., between the Commission as a supranational executive and Council as the inter-governmental decision-making body. However, the EAEK Council and Board differ from the EU institutions since they are both integrated within a “Commission”. Their relationship is more hierarchic than within the EU insofar as the Council may review decisions of the Board, suspend their implementation and refer the matter to a “Supreme Eurasian Economic Council”. This Council is composed of the three heads of states and decides unanimously. Similar to the uncodified status of the European Council prior to the Lisbon Treaty, its status is not further specified in the EAEK Treaty, but is derived from the “Supreme Organ of TS” and the “Interstate Council of EAES” which were created as formats for cooperation between the heads of involved states.<sup>20</sup> The council of the heads of states may also be involved by one of the three governments if the EAEK Council fails to decide unanimously.

The label “Commission” (komissiya) suggests another similarity with the European Commission, but it is not a neologism and has intra-regional predecessors. The traditional term to denote executive organs in the history of (post-) Soviet integration has been “komitet” (committee). Based upon the 1993 Treaty on the Creation of an Economic Union, the SNG Council of Heads of States established an Interstate Economic Committee in 1994 (Darden 2009, 60ff.). The Committee was managed by a Presidium of deputy prime ministers and a Board (kollegiya) of permanent representatives from SNG states. It was authorized to take decisions that would be directly implemented without ratification or further approval from national governments. In 1996, Russia, Belarus, Kazakhstan and Kirgistan signed a Treaty on the Deepening of Integration in Economic and Humanitarian Spheres that envisaged an Integration Committee; such a Committee is also defined in the 1999 Treaty on the TS/EEP and in the 2000 Treaty on the EAES.

The EAES Treaty for the first time complemented the Integration Committee with a “Commission of Permanent Representatives”. Its function was, however, limited to

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<sup>19</sup> Khristenko, report for the Duma hearing, 18.4.13.

<sup>20</sup> Interview with Nataliya Slyusar’, Director of the Department for Competition Policy and Public Procurement Policy of EAEK <http://www.tsouz.ru/eeek/VII/Pages/28-04-2012-3.aspx>.

coordinating the positions of national governments prior to the adoption of decisions by deputy prime ministers in the Integration Committee. The EU model for this new body seems to have been COREPER, the *Comité des représentants permanents* that performs similar functions for the Council formations.

The label “Commission” replaced “Committee” in the TS Commission established in 2009. This did, however, not entail a clear shift from the representative role and authority of a committee to the delegated authority of a commission since the TS Commission continued to be composed of members who simultaneously held positions in national governments. Compared to the TS Commission, the EAEK incorporates the concept of delegated authority since it includes a Board of members who are appointed for a fixed term and who are not simultaneously accountable as members of national governments.

While emulating several labels and organizational structures from the EU system, the emerging institutional design of EAS does not copy the Community Method that constitutes the traditional core of EU decisionmaking and has been viewed as the main driver of European integration. The EAEK remains a fundamentally intergovernmentalist body despite the introduction of qualified majority voting in its Board, since EAS member state governments are able to block decisions through the Council's unconstrained right of review and to refer them to the presidents.

## **Conclusion**

Frequent and prominent references to the EU in the discourse and institutional arrangements of Eurasian integration can not hide the evidence indicating a weak acceptance of EU norms, a persistence of imperial suspicions against Russia and limited economic interdependencies among post-Soviet countries. This constellation does not provide advocates of Eurasian integration with the capacity to implement a faithful copy of the EU even if they could be assumed to have this intention. But neither does it enable them to use the EU model to reconstitute the Soviet Union or a more tightly integrated post-Soviet model of integration. Rather, the most likely mode of emulation will be, as this paper has argued, a facade of EU-inspired formal structures and procedures coexisting with inherited bilateralist, intergovernmentalist and interventionist practices.

The present analysis of the public discourse on Eurasian integration has found labeling and framing strategies that relate the EU model to familiar ideas in Russian political culture and previous initiatives of post-Soviet integration. Elements of the model are adapted to address specific Russian and post-Soviet concerns and interests. The institutional analysis of the Eurasian Economic Commission has also shown significant adaptations of the model provided by the European Commission and continuities with international bodies created in the Commonwealth of Independent States and the Eurasian Economic Community.

A facade suggesting a Eurasian European Union is not purely decorative, as can be seen from the framing strategies identified in this paper. Advocates of Eurasian integration in Russia refer to European integration in order to (1) integrate the positions of Western-oriented and nationalist foreign policy elite groups; (2) appeal to both the business community and to siloviki and (3) convince other post-soviet states of Russia's non-imperial intentions, while addressing pro-imperial aspirations in segments of the Russian electorate. The prevailing mode of Facade Emulation is not tantamount with inertia since modified formal institutions may affect the dispositions and strategies of political actors (Hale 2011). Facade Emulation

may also turn into Incremental or Faithful Emulation in technical fields if EU norms are highly appreciated by distinct policy communities and if these communities are able to enforce their implementation.

The findings of this paper have several implications. First, they provide an exemplary empirical application of a typology that distinguishes modes of emulation by linking them to modes of gradual institutional change. This typology helps to understand the variety of policy transfers taking place in the many cases where there is no clear and constrained relationship between external conditionality and domestic compliance or non-compliance. Second, the paper confirms that borrowing scripts from other regional trade arrangements and drawing on existing domestic legal traditions shape the design of multi-level institutions as well as the self-interests of states (Duina 2010). But it suggests combining these building blocks of constructivist explanations with a rationalist framework grounded in an analysis of power and authority relations. Third, the paper proposes to study the emulation strategies of political actors more seriously. Hitherto, the apparent failure of institutional transfers from the West to Russia has been explained either by weak cultural, economic and political linkages between the West and Russia or by the weak leverage of international and Western political actors vis-à-vis Russia. Both perspectives tend to underestimate or neglect the dynamic interaction between domestic actors and international influences. A detailed reconstruction of emulation processes could contribute to a more effective external assistance of institutional reform in Russia.

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